

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
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TO SECSTATE WASHDC 5959

C O N F I D E N T I A L CARACAS 14418

E.O. 11652: GDS
TAGS: ENRG, EFIN, VE
SUBJECT: VENEZUELA AND IMPACT OF OIL PRICE INCREASE ON LDCS

REF: CARACAS 13699

1. PETROVEN OFFICIAL MARIANO GURFINKEL, WHO ALSO HOLDS ADVISORY POSITION IN MINISTRY OF MINES, TOLD US THAT TO HIS KNOWLEDGE PRESIDENT PEREZ'S STATEMENTS DURING UN SPEECH AND EUROPEAN TOUR REGARDING AN AUTOMATIC MECHANISM TO OFFSET COST TO POORER COUNTRIES OF FUTURE OIL PRICE INCREASES DID NOT REFER TO ANY SPECIFIC VENEZUELAN INITIATIVE OR PROPOSAL. HE SAID THAT WHILE MINES MINISTER HERNANDEZ WOULD PROBABLY EXPRESS NEED IN GENERAL TERMS FOR SUCH A MECHANISM AT UPCOMING OPEC MEETING, MINISTRY HAD NOT PREPARED A SPECIFIC PROPOSAL ALONG THESE LINES. EARLIER, WE WERE TOLD BY VENEZUELAN INVESTMENT FUND THAT FUND COULD NOT PROVIDE CONCESSIONAL FINANCING AND THEREFORE ANY SUCH PROGRAM WOULD HAVE TO BE RESPONSIBILITY OF MINISTRY OF MINES.

2. COMMENTING ON LIKELY OUTCOME OF OPEC MEETING, GURFINKEL SAID PRICE INCREASE WAS CERTAIN AND WOULD PROBABLY BE ON ORDER OF \$1 PER BARREL, BUT COULD BE HIGHER. EXPRESSING DISAPPOINTMENT THAT THE INDUSTRIAL COUNTRIES HAD NOT BEEN MORE FORTHCOMING IN THE CIEC DISCUSSIONS, HE INDICATED THAT THIS MIGHT BE CONSIDERED AN INTERIM DECISION TO GIVE NEW U.S. ADMINISTRATION OPPORTUNITY TO DETERMINE ITS POSITION ON ISSUES BEFORE CIEC.

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VAKY

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Message Attributes

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Margaret P. Grafeld
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